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December 20, 2010

VIA E-MAIL HAND DELIVERY

Chrisna Tan, Esquire
Attorney-Advisor
U.S. Environmental Protection Agency
Office of Enforcement and Compliance
Assurance
1200 Pennsylvania Avenue, NW
Office 4232J Ariel Rios South (2272A)
Washington, DC 20460

**Re: Atlantic Richfield Company and BP Products North America Inc.
Response to EPA Information Requests**

Dear Chrisna:

This letter responds to the U.S. Environmental Protection Agency's ("EPA") September 20, 2010 Request for Information pursuant to Section 104(e) of Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and Section 3007 of the Resource Conservation and Recovery Act ("RCRA") (the "Request"), as modified,¹ sent to Atlantic Richfield Company ("ARCO") and BP Products North America Inc. ("BP") (collectively, the "Companies") with regard to financial assurances at the sites and facilities referenced therein.

The Companies have sought to provide responses as full and complete as possible. Some of the individual requests seek information going back over twenty years, and much of the information is at least as available to EPA as it is to the Companies. If EPA has additional information beyond that submitted here, the Companies request an

¹ The original Request has been modified by EPA pursuant to the following e-mails: (1) October 19, 2010 e-mail from Chrisna Tan; (2) November 5, 2010 e-mail from Chrisna Tan; and (3) November 10, 2010 e-mail from Derek Threet.

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opportunity to examine such information, so that collectively we can establish a record that is as complete as possible concerning the sites about which EPA has inquired.

Subject to both the general and specific objections noted below, and without waiving these or other available objections or privileges, ARCO and BP submit the following in response to the Request and in accordance with the December 20, 2010 due date agreed to by EPA²:

GENERAL OBJECTIONS

ARCO and BP assert the following general privileges, protections and objections with respect to the Requests and each information request therein:

1. The Companies assert all privileges and protections they have with regard to the documents and other information sought by EPA, including the attorney-client privilege, the attorney work product doctrine, all privileges and protections related to materials generated in anticipation of litigation, the settlement communication protection, the confidential business information ("CBI") and trade secret protections and any other privilege or protection available to them under law. In the event that a privileged or protected document has been inadvertently included among the documents produced in response to the Request, the Companies ask that any such document be returned to them immediately, and hereby state for the record that the Companies are not thereby waiving any available privilege or protection as to any such document.

2. The Companies object to any requirement to produce documents or information already in the possession of a government agency, including but not limited to EPA, or already in the public domain. Notwithstanding this objection, and without waiving it, the Companies may produce certain information or documents in their possession, custody, or control that they previously provided to or obtained from government agencies that contain information responsive to the Request.

3. The Companies object to Instruction 2 on the ground that EPA has no authority to impose a continuing obligation on ARCO or BP to supplement these

² Although EPA in its Requests instructed the Companies to provide the information sought by the Requests in the charts appended thereto, the volume of information to be conveyed with respect to each site could not reasonably fit within the chart space allotted. Accordingly, we have provided all of the requested information in narrative form.

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responses. The Companies will, of course, comply with any lawful future requests that are within EPA's authority.

RESPONSES TO EPA REQUESTS FOR INFORMATION:
ENCLOSURE B SITES

1. Price Landfill (Egg Harbor Township, New Jersey) – 1988 RD CD with Amoco Corporation.

Following a diligent and good faith search of their corporate records, the Companies have been unable to locate a copy of the referenced Consent Decree. However, we note that the National Priorities Listing History for the Price Landfill Site on the Region 2 website states that, following the issuance of notice letters to potentially responsible parties ("PRPs") in 1982 and 1987, "[t]he EPA, the State of New Jersey, and the Atlantic City Municipal Utilities Authority reached an agreement with approximately 50 companies and individuals to provide for the payment of part of the costs of cleaning up the landfill." Further, "[t]he sum of \$17 million was deposited in an escrow account and is being used by NJDEP for site activities." (A copy of the NPL Listing History is enclosed as Enclosure 1.)

Accordingly, the Companies believe that financial assurances for this site are being provided in the form of an escrow account to which PRPs contributed at or around the time of entry of the 1988 Consent Decree. The Companies have been unable to locate any information in their possession or control regarding the current provider or value of the referenced escrow account, nor do the Companies have a record of any further financial assurances being provided for this site.

2. Blossenski Landfill (Chester County, Pennsylvania) – 1990 RA UAO with ARCO, 1993 RD/RA UAO with ARCO and 1995 RD/RA CD with ARCO.

The Blossenski Landfill is a multiple-PRP site. Each of the referenced Orders and Consent Decree impose a requirement on the PRPs to provide financial assurances. However, work under the 1990 Order³ was completed in 1992, as confirmed by the close-out report submitted to EPA in December 2002. Further, Section VI.A of the 1995

³ Although the Requests reference a 1991 RA UAO, Region 3 records indicate that the Order was issued on December 31, 1990 and amended in 1991. A copy of the 1991 amendment is also included in Enclosure 2.

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Consent Decree provides that the terms of that Decree supersede those of the 1993 Order. Accordingly, the financial assurance provisions of section VII.B of the 1990 Order and Section VII.C of the 1993 Order are no longer operative.

Section XIV of the 1995 Consent Decree required the parties identified as Performing Defendants to provide financial assurances in the amount of \$9 million, representing the costs of completion of the Work under the Decree. ARCO was identified as Partial Cash-out Defendant under the 1995 Consent Decree and, therefore, was not within the class of parties required to provide financial assurances for this site. (Copies of each of the referenced Orders and Consent Decree, as well as the 1992 close-out report, are included in Enclosure 2.)

3. Wingate Road Municipal Incinerator Dump (Fort Lauderdale, Florida) – 1999 RD/RA CD with Amoco Oil Co.

The Wingate Road Site is a multiple-PRP site. Paragraph 42 of the 1999 Consent Decree requires the “Settling Defendants” to provide financial assurances in the amount of \$15 million. However, Amoco Oil Co. settled its liabilities for the site as a de minimis settlor (see Appendix F of the Consent Decree) and was not within the class of parties required to provide financial assurances. Accordingly, the Companies do not have an obligation to provide financial assurances at this site. (A copy of the 1999 Consent Decree is enclosed as Enclosure 3.)

4. Alternate Energy Resources Site (Augusta, Georgia) – 2006 RI/FS AOC with BP Products North America.

Paragraph 96 of the 2006 Order requires the respondent PRPs to provide financial assurances in the amount of \$750,000. The PRP group (consisting of approximately 41 members) has fulfilled this requirement by placing the funds in escrow, with annual notifications to Region 4 of the costs of completion and remaining funds. (Copies of the escrow agreement, annual notifications and the 2006 Order are enclosed as Enclosure 4.)

5. Hardage/Criner Site (McClain County, Oklahoma) – 1987 RI/FS CD with ARCO, 1989 RD/RA CD with Amoco, 1990 RD/RA CD with ARCO.

Our review of the Companies’ records indicates that none of the requested Consent Decrees were ultimately entered by the federal district court. Rather, following a 1989 trial, the Hardage/Criner Site is under the jurisdiction of the U.S. District Court

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for the Western District of Oklahoma, and operates under a court-ordered remedy. The court order does not include an obligation of the defendants to provide financial assurances. We note also that Amoco settled its obligations at the site via a de minimis Consent Decree, entered September 22, 1989, and that Consent Decree did not provide financial assurance obligations. (Copies of the 1989 court order and de minimis Consent Decree, as well as the Region 6 information page confirming the information in this response, are enclosed as Enclosure 5.)

6. Texas City Refinery (Texas City, Texas) – 2007 Removal with BP Texas City.

Following a diligent and good faith search of their corporate records, the Companies have been unable to identify a document or financial assurance obligation associated with the identification number (TXN000606597) referenced in EPA's Request. BP's understanding is that the referenced number was assigned to the March 2005 isomerization process unit explosion incident; however, BP is not aware of a financial assurance obligation associated with the incident, apart from those assurances required under its existing RCRA permits, which assurances are currently satisfied by a letter of credit, standby trust agreement and certificate of insurance (copies of which were provided to EPA in September and October 2010). If EPA has additional information regarding the purported financial assurance obligation associated with this identification number, we request that EPA provide such information so that the Companies may conduct a more targeted search.

7. French Limited Superfund Site (Crosby, Texas) – 1985 RI AOC with ARCO, 1987 FS AOC with Amoco and ARCO, 1990 RD/RA CD with Amoco and ARCO.

Neither the 1985 Order nor the 1987 Order for the French Limited Site includes any obligation of the PRPs to provide financial assurances. Paragraph 27 of the 1990 Consent Decree requires the parties to establish and fund a trust fund that covers the costs of the work required under the Decree. The required trust was established in 1992, with Coopers & Lybrand acting as Trustee. The Trustee role transitioned to Mellon Bank in 1996, and then to JPMorgan Chase in 2002. The current balance of the remediation trust fund is approximately \$25,000. The PRP group recently processed a cash call to cover costs under the 1990 Consent Decree through 2011.

The Site is nearing the end of the Superfund process, with the PRPs having expended approximately \$90 million since the mid-1980s. The PRP group recently

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submitted a Supplemental Feasibility Study to EPA evaluating various remedial actions to address remaining “hot spots” at the site. The group anticipates a decision from EPA regarding the remedy sometime in 2011, at which point the group intends to issue a cash call to obtain necessary funds for the trust. (Copies of the referenced Orders and Consent Decree, as well as the 1996 and current form of trust agreement, are enclosed as Enclosure 6.)

8. Georgetown Railroad Bed Site (Deer Lodge County, Montana) – 2008 Removal AOC with ARCO.

Paragraph 85 of the 2008 Order requires ARCO to provide financial assurances for the work required within 15 days of the effective date of the Order by “obtaining and presenting to the Federal Agencies . . . internal financial information to allow the Federal Agencies to determine that [ARCO] has sufficient assets available to perform the work.” Annual submissions are not required under the Order. The Companies are continuing to search their records to determine whether the “internal financial information” referenced in the Order was provided, and will provide any relevant information as it becomes available.

As indicated in the August 7, 2009 letter from Region 8, ARCO completed the cleanup work required under the Order in October 2009 and is currently conducting monitoring of the groundwater, installation of a vegetative cover and weed control, all of which are scheduled for completion in 2013. BP estimates the cost of completing the monitoring to be \$40,000 per year. (Copies of the 2008 Order and the August 2009 letter are enclosed as Enclosure 7.)

9. Omega Chemical Corp. Site (Whittier, California) – 2001 RD CD with BP America Inc., 2009 Removal AOC with BP Amoco Chemical Co.

BP is one of more than 150 PRPs at the Omega Chemical Site. BP’s allocated share of liability is 0.34%. Paragraph 35 of the 2001 Consent Decree requires the respondents to provide financial assurances in the amount of \$15 million. To date, BP has been unable to determine the form of financial assurances provided by the PRPs for this Consent Decree. We are continuing to investigate this matter, and will provide additional information as it becomes available.

Paragraph 97 of the 2009 Order, which governs the indoor air area of concern at the site, requires the respondents to provide financial assurances in the amount of \$2

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million. Among the permissible forms of financial assurances is a letter “demonstrating to EPA that the financial assurances in place pursuant to . . . any other consent decree that Respondents and EPA subsequently enter into . . . are adequate to guarantee payment and performance of the Work.” Subsequent to issuance of 2009 Order, in July 2010, the parties entered into a Consent Decree for onsite soils work. Paragraph XII of the 2010 Consent Decree requires the respondents to establish and maintain a performance guarantee in the amount of \$8.5 million. The respondents fulfilled this obligation in accordance with the terms of Paragraph 39.e of the Consent Decree by demonstrating that two defendants had financial solvency in an amount exceeding \$17 million, or twice the estimated cost of the required work. Section 40 of the Consent Decree confirms EPA’s satisfaction with the demonstration. By letter dated September 10, 2010, the Respondents submitted to EPA that financial assurances under the 2010 Consent Decree sufficed for purposes of the 2009 Order. (Copies of the 2001 and 2009 Orders, the 2010 Consent Decree and the September 10, 2010 letter are attached hereto as Enclosure 8.)

RESPONSES TO EPA REQUESTS FOR INFORMATION:
ENCLOSURE C SITES

1. BP Products North America Richmond Terminal (VAD000607879)

Following a diligent and good faith search of its corporate records, BP is unable to identify a financial assurance obligation for corrective action associated with the identification number provided in the Request. To the extent that EPA has additional information about the obligation purported to be associated with this identification number, such information may enable BP to further respond to this Request.

2. Atlantic Richfield Company (KYR000029827)

The identification number referenced in the Request is associated with an Agreed Order dated July 2001 between the Commonwealth of Kentucky, the Environmental Protection Cabinet, Alcan Ingot and ARCO. The Order addresses cleanup of leachate contamination of the solid waste landfill at the Sebree aluminum facility in Webster County, Kentucky. The Order does not impose any financial assurance obligations. (A copy of the 2001 Order is enclosed as Enclosure 9.)

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3. BP Products North America Inc. Whiting Refinery (IND000810861)

The identification number referenced in the Request is associated with the Lakefront area at the Whiting Refinery. In 1997, pursuant to a requirement of the lakefront area's operating permit, BP obtained approval from the Indiana Department of Environmental Management for a corrective measure in the form of construction of a RCRA cap over an onsite stormwater surge basin. However, as indicated by the attached Comprehensive Corrective Action Report, BP completed construction of this corrective measure in March 2001. Although the facility's current RCRA permit (issued in 2007) describes development of cost estimates for the purposes of providing financial assurances for corrective measures, BP understands this language to be of a boilerplate variety and not applicable to the capped surge basin; rather, the language may become operative in the future, in the event that additional corrective measures are required. As EPA is aware, BP currently provides financial assurances for closure, post-closure and liability coverage at the Whiting Refinery in the form of a letter of credit, standby trust agreement and certificate of insurance. Financial assurances for operation and maintenance of the cap are included in the post-closure financial assurances. (Copies of the 2007 permit and relevant excerpts from the Comprehensive Corrective Action Report are enclosed as Enclosure 10.)

4. BP America Warrensville Facility (OHD010835619)

The identification number referenced in the Request is associated with a former BP America research facility. The facility featured three permitted hazardous waste management units: (1) the hazardous waste underground storage tank systems; (2) a container storage pad; and (3) an incinerator. A closure certification report was submitted to the Ohio EPA and EPA for the underground storage tank systems on June 24, 1987, while the storage pad and incinerator received a completion of closure on June 27, 1995. None of the permits under which the facility operated (the RCRA Part A permit issued on December 2, 1981 and the RCRA Part B Permit issued on October 12, 1988) identifies a corrective action requirement; in fact, the 1988 permit states that "U.S. EPA has determined that corrective action requirements are not applicable to this facility at this time."⁴ Accordingly, BP is not aware of any financial assurance obligations with

⁴ Although the Part B permit references eight solid waste management units ("SWMUs") at the facility, the permit application indicates that the SWMUs are not addressed in the application.

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respect to this facility. (Copies of the closure documents and the 1988 permit are enclosed as Enclosure 11.)

5. BP Products North America Soda Lake (WYD000712463)

BP currently provides financial assurances for the former Casper Refinery and associated properties, including the Soda Lake Area. The Soda Lake Area is an area associated with, and located two to three miles east of, the former Casper Refinery (EPA identification number WYD007064447). BP is required to provide financial assurances for corrective actions and liability coverage for the Casper Refinery and associated areas pursuant to a 1998 Consent Decree between the Wyoming Department of Environmental Quality ("WDEQ") and BP. Specifically, following entry of the 1998 Consent Decree, BP commenced work at the site pursuant to three WDEQ Remedy Decisions ("RDs") as follows: (1) RD#1 governs work at the South Properties Area of the site (issued in September 2001); (2) RD#2, the North Properties Area, the North Platte River Area, the RD#2-BP-Onsite Area and the RD#2-Offsite Area (issued in February 2002); and (3) RD#3, the Soda Lake Area (issued in January 2002). BP completed the remedial action under RD#3 in 2007, as indicated by the November 7, 2007 approval letter from WDEQ; currently, work at the Soda Lake Area is limited to ongoing monitoring.

Each of the individual corrective action activities is governed by the 1998 Consent Decree; thus, the financial assurance provisions of the Consent Decree (Section XXII) encompass RD#1, RD#2 and RD#3 collectively. BP is not aware of an obligation to provide separate financial assurances for the Soda Lake Area in addition to the assurances required under the 1998 Consent Decree. BP previously provided financial assurances for the corrective actions and liability coverage under the Consent Decree using a corporate guarantee pursuant to Chapter 5 of the Wyoming Hazardous Waste Rules and Regulations. However, following the July 2010 issuance of a Notice of Violation by WDEQ, BP agreed to replace the existing guarantee with a letter of credit (and accompanying standby trust agreement) and certificate of insurance. (Copies of the 1998 Consent Decree, the 2001 and 2002 Remedy Decisions, the 2007 WDEQ approval letter and the 2006 through 2010 financial assurance submissions are enclosed as Enclosure 12.)

6. BP Products North America (WYD007064447)

Please see response to Item #5, above.

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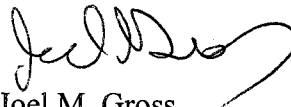
7. BP West Coast Products (WAD069548154)

The facility associated with the referenced identification number is the Cherry Point Refinery in Blaine, Washington. BP is required to provide financial assurances for closure and post-closure care costs associated with a non-hazardous waste landfarm at the facility, pursuant to Solid Waste Permit No. P0002060. BP previously provided financial assurances using a corporate guarantee; however, following the July 2010 issuance of Notices of Violation by EPA, BP elected to replace the existing guarantee with a letter of credit and accompanying standby trust agreement. (Copies of the 2006 through 2010 submissions are enclosed as Enclosure 13.)

* * *

Please contact me should you have any questions regarding these Responses.

Sincerely,



Joel M. Gross

Enclosures

cc: Christine McCulloch, EPA (w/o enclosures)
Cari Shiffman, EPA (w/o enclosures)
Derek Threet, EPA (w/o enclosures)
Manuel Ronquillo, EPA (w/o enclosures)
Robert Genovese, BP (w/o enclosures)
Jean Martin, BP